



Questions and Answers: Convoy Protest Funding

Key Messages:

- As Canada's financial intelligence unit, FINTRAC works closely with Canadian businesses and Canada's police, law enforcement and national security agencies to protect the safety of Canadians and the integrity of Canada's financial system.
- With the information that FINTRAC receives from businesses subject to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the Centre generates actionable financial intelligence for Canada's police, law enforcement and national security agencies to assist in the investigation of money laundering and terrorist activity financing offences or threats to the security of Canada.
- As an intelligence agency, FINTRAC cannot speak to any information that it has received or financial intelligence that it has or may have provided to Canada's police, law enforcement and national security agencies.
- Last year, FINTRAC provided more than 2,000 disclosures of actionable financial intelligence in support of investigations related to money laundering, terrorist activity financing and threats to the security of Canada.
- This intelligence contributed to 376 major, resource intensive investigations, and many hundreds of other individual investigations at the municipal, provincial and federal levels across the country.

Questions and Answers:

1. What is FINTRAC's mandate?

As Canada's financial intelligence unit, FINTRAC facilitates the detection, prevention and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under its control.

FINTRAC's dual mandate is to ensure the compliance of [businesses](#) subject to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and Regulations, and to generate actionable financial intelligence for police, law enforcement and national security agencies to assist in the investigation of money laundering and terrorist activity financing offences or threats to the security of Canada.

2. Does FINTRAC have a role as part of the federal government's response to the convoy protest?

As Canada's financial intelligence unit, FINTRAC works closely with Canadian businesses and Canada's law enforcement and national security agencies to protect the safety of Canadians and the integrity of Canada's financial system.

FINTRAC cannot speak to its intelligence operations but its mandate includes generating actionable financial intelligence for police, law enforcement and national security agencies to assist in the

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investigation of money laundering and terrorist activity financing offences or threats to the security of Canada.

3. What exactly does FINTRAC's role entail?

As Canada's anti-money laundering and anti-terrorism financing regulator, FINTRAC is responsible for ensuring the compliance of thousands of businesses with requirements under the Act, including financial entities, casinos, money services businesses, real estate and others.

As part of their obligations, businesses subject to the Act are required to establish a compliance program, identify clients, keep records and report certain types of financial transactions to FINTRAC, including: international electronic funds transfers totaling \$10,000 or more in 24 hour period; large virtual currency transactions totaling \$10,000 or more in 24 hour period; and suspicious transactions, which have no monetary threshold for reporting.

The reports that FINTRAC receives from Canadian businesses are analyzed and assessed and, when the Centre has reasonable grounds to suspect that financial intelligence would be relevant to investigating or prosecuting a money laundering offence or a terrorist activity financing offence, or would be relevant to threats to the security of Canada, it generates a financial intelligence disclosure for Canada's police, law enforcement and national security agencies.

Last year, FINTRAC's financial intelligence contributed to 376 major, resource intensive investigations, and many hundreds of other individual investigations at the municipal, provincial and federal levels across the country.

4. Are crowdfunding platforms covered under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*?

Crowdfunding sites are not a regulated business sector under the Act. However, when these sites transact with or through [businesses](#) that are subject to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, these financial transactions would be covered under that Act.

5. Are virtual currency transactions covered under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*?

As of June 2020, entities dealing in virtual currency (including virtual currency ATM providers) must register with FINTRAC as money services businesses and comply with a number of legal obligations, including implementing a compliance regime, keeping records, verifying their clients' identity, and reporting certain types of financial transactions to FINTRAC such as large virtual currency transactions totaling \$10,000 or more in 24 hour period and suspicious transactions.

As well, as of June 2021, all businesses subject to the Act that receive virtual currency, including financial entities, must report all large virtual currency transactions totaling \$10,000 or more in 24 hour period to FINTRAC.

6. Why didn't FINTRAC stop the funding associated with the protest?

As one of 13 federal departments and agencies that play a key role in Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime, FINTRAC was established as an administrative financial intelligence [APG]

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unit and not a law enforcement or investigative agency. The Centre does not have the authority to freeze or seize funds, or cancel or delay financial transactions.

FINTRAC's role was established deliberately by the Parliament of Canada in 2000 to ensure that it would have access to the information needed to support the money laundering and terrorist financing investigations of Canada's police, law enforcement and national security agencies, while protecting the privacy of Canadians.

7. Is FINTRAC able to track the different sources of funding that have been set up to support the protest?

Under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, FINTRAC does not have the authority to track or monitor financial transactions in real time.

The Centre receives about 30 million financial transactions reports a year from businesses subject to the Act, including international electronic funds transfers totaling \$10,000 or more in 24 hour period; large virtual currency transactions totaling \$10,000 or more in 24 hour period; and suspicious transactions, which have no monetary threshold for reporting.

Suspicious transaction reports, in particular, are critical to FINTRAC's ability to generate actionable financial intelligence for Canada's police, law enforcement and national security agencies. These reports must be submitted to FINTRAC when a financial transaction occurs or is attempted, and for which there are reasonable grounds to suspect that the transaction is related to the commission or attempted commission of a money laundering or terrorist activity financing offence. Last year, FINTRAC received nearly 470,000 suspicious transaction reports from businesses across the country.

The reports that FINTRAC receives from Canadian businesses are analyzed and assessed and, when the Centre has reasonable grounds to suspect that financial intelligence would be relevant to investigating or prosecuting a money laundering offence or a terrorist activity financing offence, or would be relevant to threats to the security of Canada, it generates a financial intelligence disclosure for Canada's police, law enforcement and national security agencies.

8. Has FINTRAC received any reporting from businesses in relation to the protest?

The Centre receives about 30 million financial transactions reports a year from businesses subject to the Act, including international electronic funds transfers totaling \$10,000 or more in 24 hour period; large virtual currency transactions totaling \$10,000 or more in 24 hour period; and suspicious transactions, which have no monetary threshold for reporting.

This reporting is critical to FINTRAC's ability to generate actionable financial intelligence for Canada's police, law enforcement and national security agencies to assist in the investigation of money laundering and terrorist activity financing offences or threats to the security of Canada.

Under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, FINTRAC is prohibited from discussing any information that it may have received from businesses subject to the Act.

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9. Has FINTRAC provided financial intelligence to law enforcement to help investigate criminal activities associated with the protest?

As an intelligence agency, FINTRAC cannot speak to any information it receives or financial intelligence that it has or may have provided to Canada's police, law enforcement and national security agencies.

FINTRAC works closely with Canadian businesses and Canada's law enforcement and national security agencies to protect the safety of Canadians and the integrity of Canada's financial system.

10. How do law enforcement and national security agencies use FINTRAC's intelligence?

Last year, FINTRAC provided more than 2,000 disclosures of actionable financial intelligence in support of investigations related to money laundering, terrorist activity financing and threats to the security of Canada. Since becoming operational in 2001, the Centre has provided more than 22,000 financial intelligence disclosures to Canada's police, law enforcement and national security agencies.

FINTRAC's disclosures include financial information on an individual or a network of individuals or entities suspected to be involved in laundering money or the financing of terrorist activities. They can make links between individuals and businesses that have not been identified in an investigation, and can help investigators refine the scope of their cases or shift their sights to different targets. FINTRAC's financial intelligence is often used by law enforcement agencies to put together affidavits to obtain search warrants and production orders.

The Centre's financial intelligence can also be used to identify proceeds of crime, support recommendations for the listing of terrorist entities, and advance the government's knowledge of the financial dimensions of certain crimes and threats, including organized crime and terrorism.

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